

Germantown taxpayer raises questions about assessment process

By Ty Schmidt
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Germantown — Amid the recent completion of the revaluation of homes and businesses in Germantown, misconduct charges against Accurate Appraisal have yet to be resolved.

A January 2014 letter addressed to Village Administrator Dave Schornack highlighted findings of misconduct by the Wisconsin Department of Revenue in collaboration with an investigation by the DOR into the accountability of the village's appraisal company, Accurate Appraisals.

The investigation was completed in response to formal complaints filed with the DOR by Franklin resident Andy Pelkey, who seeks to hold the village and its appraiser responsible for the work that has been done since the village split from Grota Appraisals almost five years ago.

The accountability of the work the company has been doing for the village since 2010 prompted Pelkey's 2012 and 2013 complaints with the DOR, specifically citing issues with the 2012 assessment.

"They say they are doing the right thing by taxpayers, but in reality there is a big difference between what they say they do and what they actually do," said Pelkey. "I've never questioned the value of the property I own in Germantown. The issue isn't is my property value correct? The issue is when the values are non-uniform and only certain properties are being adjusted, the tax on that person's, say 20 percent discount, is now borne by the rest of the village."

A switch to save money

The village split from Grota in 2009, citing price as the main factor.

"I can't say Grota did a bad job at all; I think they did a decent job, but the No. 1 reason we moved away from them was price," Schornack said.

From 2007 to 2009, the village paid Grota Appraisals \$514,000 for its services maintaining and revaluing the area during that time frame. Since making the switch to Accurate Appraisals in 2010, the village has spent \$197,500 through the end of 2014. One year of the existing three-year contract with Accurate Appraisals remains, a year Pelkey said is far too long.

Inadequate record keeping, no record of how values were determined, and no evidence of uniformity measures are among the items Pelkey outlined in his complaints. Two phone calls and several emails asking for a response to the DOR letter from Accurate Appraisals were not returned, other than to confirm no formal objections have been filed regarding the 2014 revaluation.

"This isn't about sour grapes," said Pelkey, who is a software designer for Impact Consultants Inc. at Assessment Technologies of Wisconsin, a sister company to Grota. "The bottom line is uniformity is the most important thing in terms of property assessment because you want people with similar properties to share the tax burden in the same way."

DOR outlines misconduct

In response to Pelkey's complaints, the DOR letter to Schornack and the village cited the failure of Accurate Appraisals to maintain uniform assessments records and failure to verify and validate sales according to the Wisconsin Property Assessment Manual (WPAM).

"DOR did find misconduct; however, DOR is not pursuing certification revocation at this time since DOR has no prior instances of this misconduct on file," the letter reads. "Your municipality is responsible for hiring an assessor and monitoring the assessor's work."

Meanwhile, Schornack said the responsibility for the work of Accurate Appraisals lies in their hands.

"(Pelkey) may have some good points, but we are confident that because they are licensed through the state of Wisconsin, they are doing what they are supposed to be doing," Schornack said. "Of course we are concerned when something happens to our assessments. We want to know why assessments go up or down, but ultimately they are licensed, and what we have is one person complaining about them."

The villagewide revaluation completed over the summer had nothing to do with the DOR findings, Schornack said.

"We had until 2015 to do the revaluation in terms of our contract with the assessment company, but the assessments had gotten so far out of whack that we thought it best to proceed with the revaluation this year instead," said Schornack.

What that means for the average taxpayer in Germantown is that their home that may have had an assessed value as much as 11 percent too high, will now be closer to 100 percent of the equalized value determined by the state.

The DOR letter has, however, prompted village staff to work with the department on a formal response, which Village Attorney Brian Sadjak said is still being developed.

"Based on my understanding, my sense in my discussion with representatives from the DOR is this is just their standard procedure when they receive a formal complaint," Sadjak said. "We've been in contact with the department and are working closely with them to make sure any concerns they have are dealt with appropriately."

'Without delay'

That is not a good enough answer for Pelkey, who argues that everything about this process is taking too long.

"The bottom line is that while the village board says they switched to our current assessor to save money, they actually cost most taxpayers way more money," said Pelkey, who regularly files open records requests with the village of Germantown in an attempt to substantiate his claims.

Village Clerk Barbara Goeckner said Pelkey's latest request was made Aug. 19. In the eight days after that request, she received 19 emails and five phone calls, which she said is a fairly regular occurrence when addressing Pelkey's concerns.

While Pelkey said he has had issues with turnaround time on his records requests, Goeckner said she always does what she can to respond in a timely matter and comply with the Wisconsin Open Records law, which does not mandate a turnaround time other than saying "a response must be provided 'as soon as practicable and without delay.'"

"Open records requests have to come through me; it's my job," Goeckner said, "but ultimately Mr. Pelkey isn't the only one filing these kinds of requests."

No change in procedure

In the meantime, Village President Dean Wolter said nothing has changed in terms of village procedure when a taxpayer has an issue with his or her assessment.

"Germantown property owners have the ability to contest the assessed value of their property through the process of open book and Board of Review," he said in a prepared statement. "Germantown property owners who are concerned with the practices or performance with which Accurate Appraisal have executed their contract to conduct appraisal services for the village of Germantown can file a complaint with the Wisconsin Department of Revenue."

The DOR, in collaboration with local officials, assessors and property owners, is responsible for enforcing assessment standards, according to DOR Communications Director Nicole Anspach.

"The Legislature establishes the standards in state law and DOR administers those standards," she explained. "For example, state law requires that the assessed value of major property classifications within a municipality must be within 10 percent of fair market value once every five years."

According to Anspach, 2013 was the first year that the village of Germantown did not comply with the 10-percent requirement.

"Although it is my understanding that there is a 2014 revaluation; the state did not mandate this revaluation," she said.

In addition to providing assessor certification, and revoking licenses when necessary, DOR also conducts annual mandatory training for assessors that describes assessment practice, new initiatives and law changes. But ultimately, Anspach said the element of local control in Wisconsin's property tax system is critical to the process.

"If the state were to take a larger role (for example by validating each action of a local assessor in each of the 1,851 municipalities), this would diminish the role of local assessment in Wisconsin," she said.

The investigation into Pelkey's complaints is still open because it will include an evaluation of the 2014 assessment process.

Eager for answers

Yet as work continues between the village and the state, Pelkey said he is losing patience.

"I started with the village board, and their ignoring me led me to file the claim with the DOR," he said. "This is just par for the course with the DOR. There is a lot of incompetence and neglect. They told the village you've got a problem here, you're responsible for overseeing this work, and all I'm seeing in response is a village doing the bare minimum to get by."

While Schornack said part of his faith in the work Accurate Appraisals has done lies in its work with the dozens of other municipalities throughout the state; Pelkey says that is part of the problem.

"This is just their business practice, to do some fraction of the work and the heck with the rest of it," said Pelkey, who said the village should hold Accurate Appraisals responsible for any money that a taxpayer might be owed as the result of its alleged negligence.

"Depending on how many adjustments were not uniform, I calculated that \$1.5 million in taxes was shifted from the people who get adjustments to the other taxpayers in the village," Pelkey said. "I think the village board needs to acknowledge these problems, make sure going forward we have real oversight and that this doesn't happen again. They need to make sure the taxpayers aren't the people taking this in this shorts for their bad work."